

## Message Text

UNCLASSIFIED

PAGE 01 BONN 01570 271245Z POSS DUPE  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 H-02 COME-00 AID-05 IGA-02 /030 W  
-----272036Z 066668 /43

R 271240Z JAN 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 5094

UNCLAS BONN 01570

FOR EB/IFD/ODF:JOHN BLANEY

E.O. 11652: N/A  
TAGS: EFIN, EAID, OREP  
SUBJ: SENATOR GRAVEL'S PAPER ON TAXATION FOR  
DEVELOPMENT ASSISTANCE

REF: STATE 9837

1. SENATOR GRAVEL'S DEVELOPMENT TAX PROPOSAL  
IMAGINATIVELY ADDRESSES THE SERIOUS PROBLEM OF THE  
LONG-TERM FOUNDATIONS OF THE U.S. DEVELOPMENT AID  
PROGRAM. HOWEVER, WE ARE NOT REALLY QUALIFIED TO  
COMMENT ON THE KEY ASPECT OF THE PROPOSAL, THE  
FINANCING SCHEME. WE BELIEVE WASHINGTON AGENCIES ARE IN  
A MUCH BETTER POSITION TO COMMENT SUBSTANTIVELY ON  
CHANGES IN U.S. CORPORATION TAX LAW AND BUDGETARY  
PROCEDURES.

2. AS FAR AS THE FRG IS CONCERNED, WE BELIEVE IT IS  
UNLIKELY THAT THE GERMANS WOULD ADOPT A SIMILAR PROPOSAL  
TO FINANCE THEIR DEVELOPMENT AID PROGRAM. THE FRG  
COULD SEE THE DEVELOPMENT TAX AND ITS COMPANION  
DOLLAR-FOR-DOLLAR CREDIT AS A VEILED WAY TO RAISE AID  
APPROPRIATIONS OUTSIDE THE STANDARD DIRECT CHANNELS.  
THEY WOULD LIKELY PREFER TO RETAIN MORE CONTROL OVER  
THEIR AID APPROPRIATIONS THROUGH THE STANDARD ANNUAL  
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BUDGETARY PROCESSES.  
STOESSEL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TAX LAW, MULTINATIONAL CORPORATIONS, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BONN01570  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770030-0319  
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**Litigation History:**  
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**Message ID:** dfcf38d0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Reference:** 77 STATE 9837  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3489647  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SENATOR GRAVEL'S PAPER ON TAXATION FOR DEVELOPMENT ASSISTANCE  
**TAGS:** EFIN, EAID, OREP, (GRAVEL, MIKE)  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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